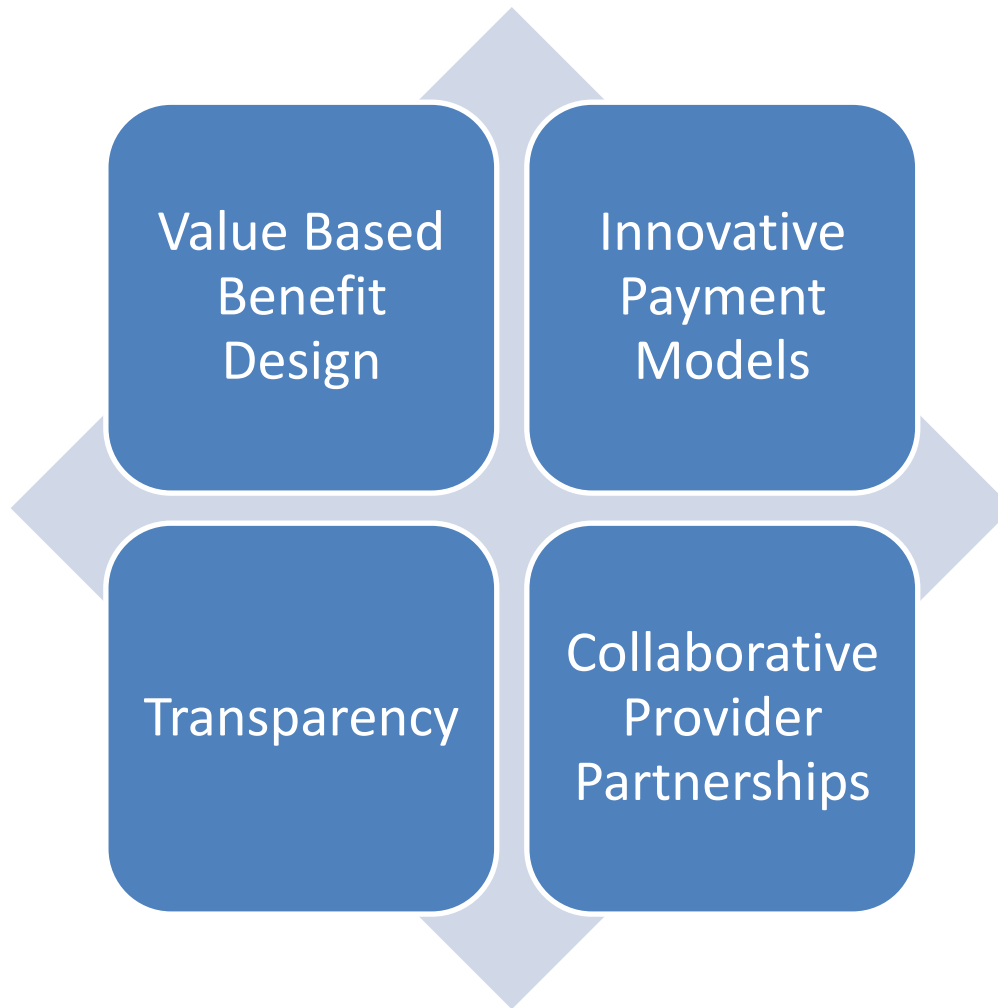




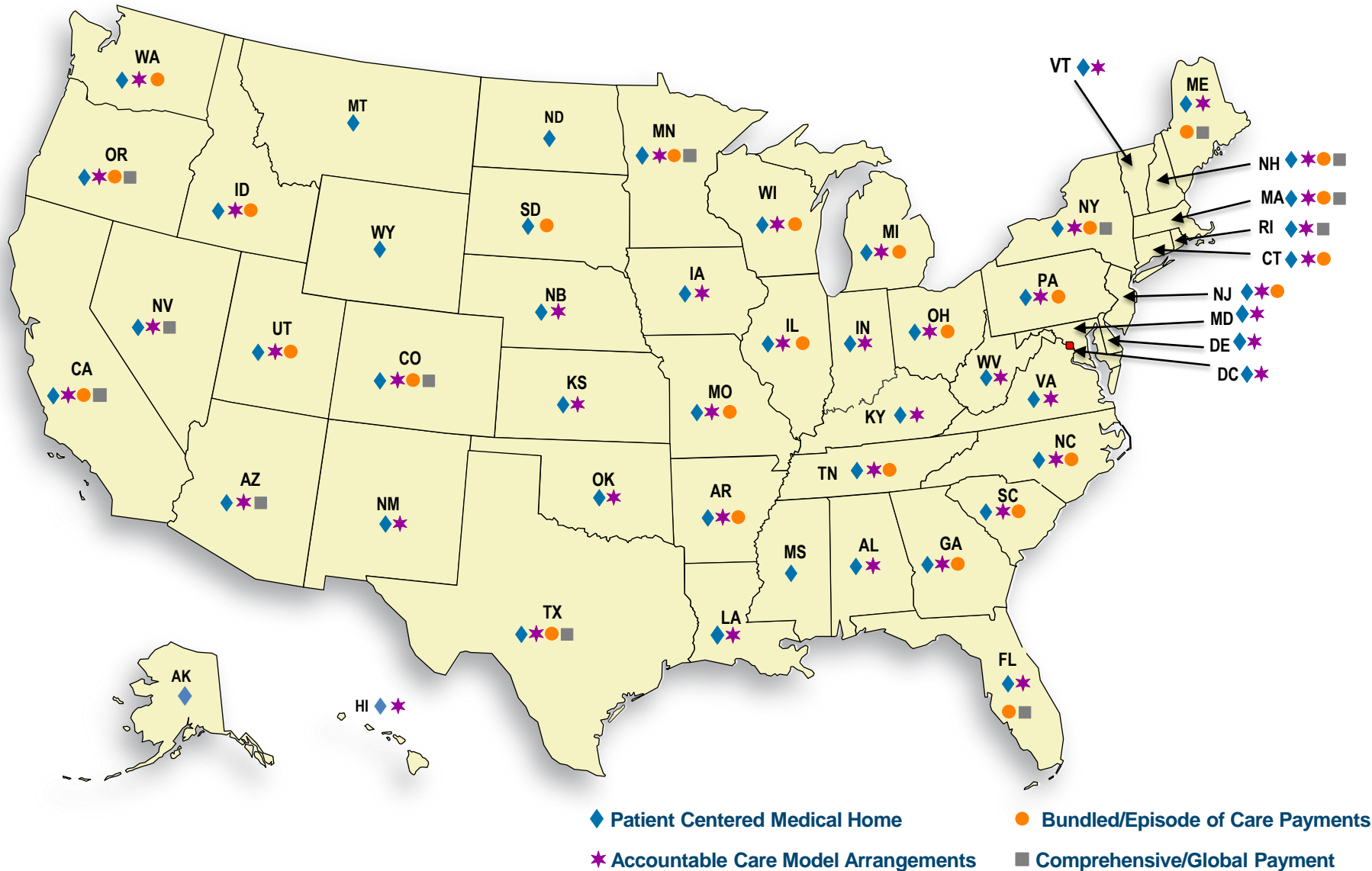
# **THE PRIVATE INSURANCE MARKET: THE INFLUENCE OF NEW PAYMENT AND DELIVERY MODELS**

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May 13, 2015

# Plans Driving a Move Toward Value



# Delivery and Payment Models—Private Sector Initiatives



NOTE: Icons may represent multiple partnerships within the state 3

\*The map is current as of January 2015. As new programs are identified the map will be updated accordingly.

# Key Technical Assistance

- Population Health Management
  - Providing multiple data and report formats, including:
    - Detailed claims data
    - Analytic reports
  
- Disease and case management/tools for care improvement and decision making
  - Connecting providers with health plans' disease and case management services by:
    - Embedded nurse case managers
    - Clinical decision-support tools
    - Monthly clinical sessions and collaboration between health plan care management teams and providers

# Key Technical Assistance, cont.

- Exchanging health information
  - Two-way flow of information to facilitate case management and clinical decision support
- Managing financial risk
  - Predictive modeling to health access and manage risk; provision of stop-loss coverage or reinsurance

# All models have shown Improvement

## Quality and Outcomes

- Fewer ER visits; Fewer Readmissions

## Improved Patient Satisfaction

- Expanded hours, more timely visits; Use of telehealth

## Improved Medical Spend

- Avoided unnecessary costs; Decreased patient OOP

### Patient-Centered Medical Home

- \$267 million in avoided costs
- Reductions inpatient hospital admissions 3%-42%
- Decrease in ER visits 6%-74%

### Accountable Care Models

- Shared savings amounted to > \$50 Million
- Increase in quality performance
- Reduction in hospital readmissions by 15%-45%

### Episode/Bundled Payment

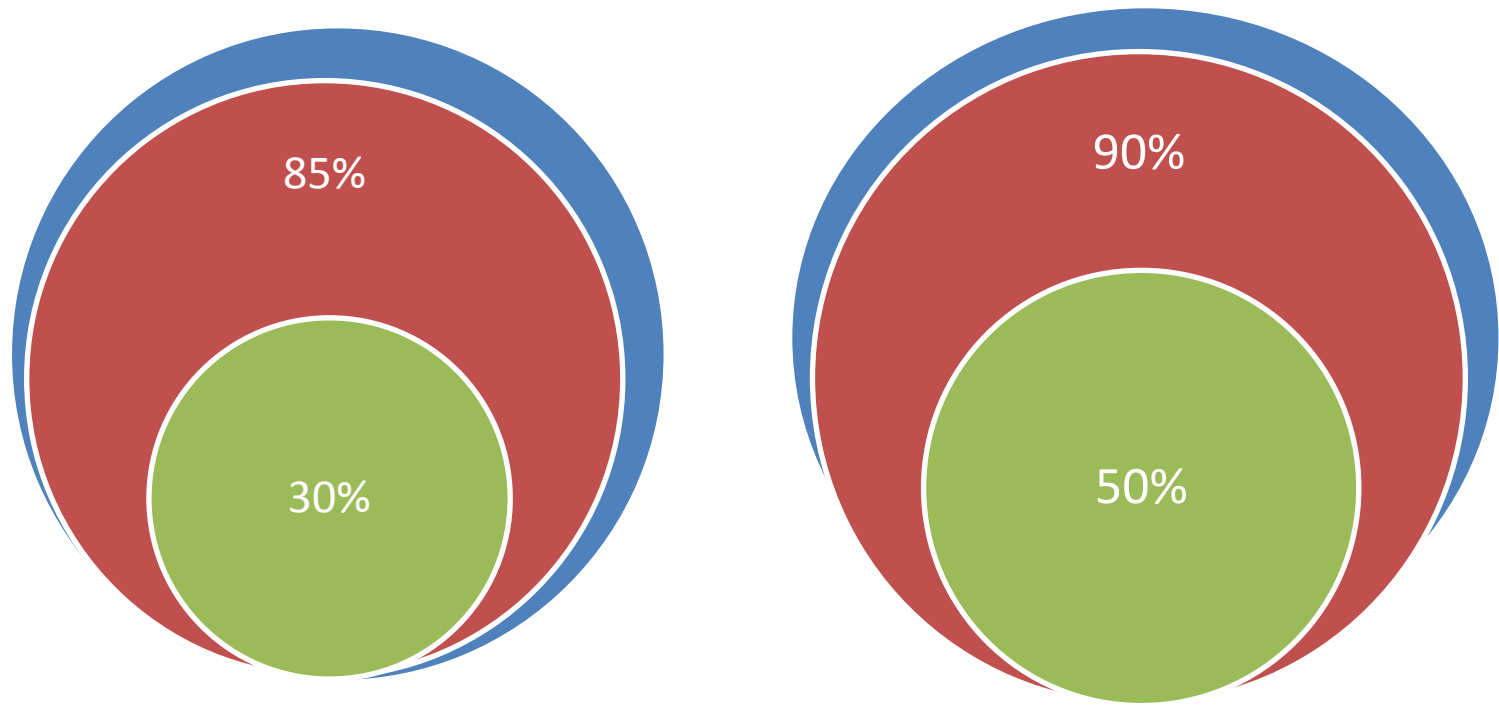
- Consumers savings of 10-30%
- Estimated overall procedural cost reductions of 34%
- Increased screening rates by 72%

# Framework for Progression of Payment to Clinicians and Organizations in Payment Reform

	Category 1: Fee for Service – No Link to Quality	Category 2: Fee for Service – Link to Quality	Category 3: Alternative Payment Models on Fee-for Service Architecture	Category 4: Population-Based Payment
Description	Payments are based on volume of services and not linked to quality or efficiency	At least a portion of payments vary based on the quality or efficiency of health care delivery	<ul style="list-style-type: none"> <li>Some payment is linked to the effective management of a population or an episode of care</li> <li>Payments still triggered by delivery of services, but, opportunities for shared savings or 2-sided risk</li> </ul>	<ul style="list-style-type: none"> <li>Payment is not directly triggered by service delivery so volume is not linked to payment</li> <li>Clinicians and organizations are paid and responsible for the care of a beneficiary for a long period (eg, &gt;1 yr)</li> </ul>
Examples				
Medicare	<ul style="list-style-type: none"> <li>Limited in Medicare fee-for-service</li> <li>Majority of Medicare payments now are linked to quality</li> </ul>	<ul style="list-style-type: none"> <li>Hospital value-based purchasing</li> <li>Physician Value-Based Modifier</li> <li>Readmissions/Hospital Acquired Condition Reduction Program</li> </ul>	<ul style="list-style-type: none"> <li>Accountable Care Organizations</li> <li>Medical Homes</li> <li>Bundled Payments</li> </ul>	<ul style="list-style-type: none"> <li>Eligible Pioneer accountable care organizations in years 3 – 5</li> <li>Some Medicare Advantage plan payments to clinicians and organizations</li> <li>Some Medicare-Medicaid (duals) plan payments to clinicians and organizations</li> </ul>
Medicaid	Varies by state	<ul style="list-style-type: none"> <li>Primary Care Case Management</li> <li>Some managed care models</li> </ul>	<ul style="list-style-type: none"> <li>Integrated care models under fee for service</li> <li>Managed fee-for-service models for Medicare-Medicaid beneficiaries</li> <li>Medicaid Health Homes</li> <li>Medicaid shared savings models</li> </ul>	<ul style="list-style-type: none"> <li>Some Medicaid managed care plan payments to clinicians and organizations</li> <li>Some Medicare-Medicaid (duals) plan payments to clinicians and organizations</li> </ul>

# Target percentage of Medicare FFS payments linked to quality and alternative payment models in 2016 and 2018

- All Medicare FFS (Categories 1 – 4)*
- FFS linked to quality (Categories 2 – 4)*
- Alternative payment models (Categories 3-4)*



All Medicare FFS

All Medicare FFS



# Changing the Dynamic of Patient Engagement

A large blue pyramid is positioned on the left side of the slide. Three white, rounded rectangular boxes are stacked vertically on the right side of the pyramid, each containing text. The boxes are partially overlaid by the pyramid's right edge.

Cost Calculators

Meaningful  
Quality Metrics

Health Decision  
Assistance

# Price Transparency Tools

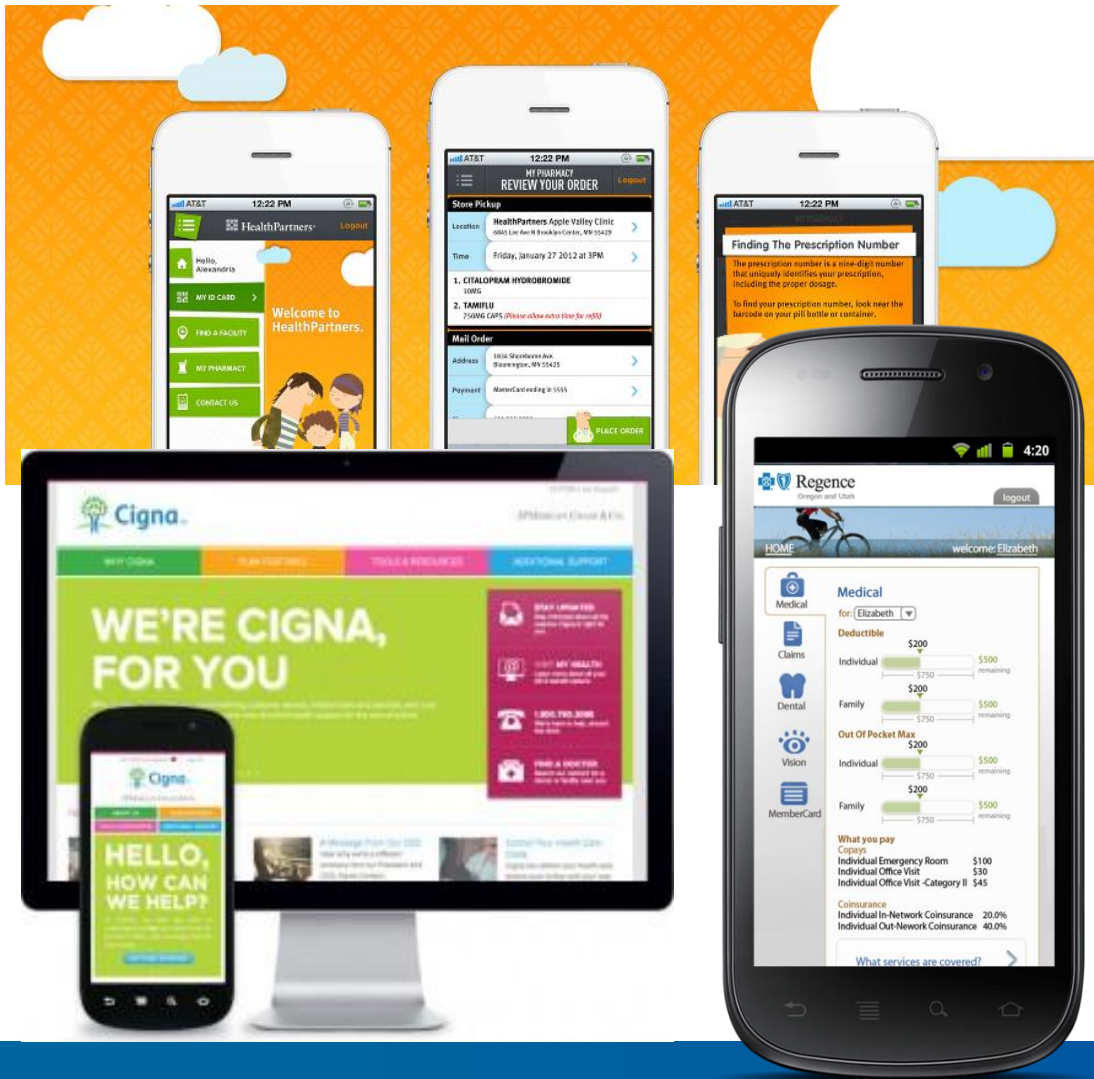
Aid consumer decision-making and provider selection:

- Estimates of frequency used services, including overall cost and the enrollee's share of cost;
- Linkage of price information to quality information where available; and
- Network status of providers

Use of mobile apps:

- Member services apps enable enrollees to submit and look up claims, view ID cards, review deductibles, and check account balances.
- Health care management apps enable members to set up preventive care alerts, access personal health records, order Rx refills, track workouts, food intake, and medications.
- Decision-making apps enable members to search for providers and facilities and compare drug costs.
- Medical support apps enable enrollees to contact an RN and access triage services.

# Health Plan Mobile Applications



## Provides members with access to information:

- Cost estimates – comparing prices of services; Search for providers and facilities
- Access ID card information; View claims and coverage
- Review claims, deductibles, out-of-pocket spending
- Preventive care alerts; Access to personal health records
- Track medications and order prescription refills
- Track workouts and food intake
- Contact with an RN and/or access to Triage services